

TUESDAY

14 May 1985

SUMMARY OF MAJOR MEDIA ITEMS ON INTELLIGENCE

1. Alleged Link to Bombing Prompts Questions On Counterterrorism.

Leslie Gelb writes that the CIA's denial that it was involved in the training of the Lebanese security forces relating to the car bombing on 8 March 1985 or that it had foreknowledge of the action does not address the question of whether the Agency had been working with Lebanese intelligence. He says the President signed a directive a year ago calling for preemptive action against terrorists and "American intelligence agents and military personnel began financing, training, sharing information and in other ways supporting groups in friendly countries to combat terrorism." Gelb adds that "there was doubt" among intelligence officials that any kind of covert action could be taken effectively. Charles Babcock and Bob Woodward write that the chairmen of both oversight committees have said they will examine the administration's counterterrorism program. SSCI chairman Durenberger said the study "will occur out of the limelight" and only after the committee finishes its review of intelligence budget matters. "Effective oversight of the intelligence agencies is possible only when the committee operates quietly and in response to its own agenda--an agenda that is not set by THE WASHINGTON POST." (NEW YORK TIMES, 14 May, p. A-1; WASHINGTON POST, 14 May, p. A-20; WASHINGTON TIMES, 14 May, p. 1-A)

2. Editorial Reaction to Story Alleging CIA Link to Car Bombing.

THE WASHINGTON POST today writes that the U.S. has "lost a major part of the moral advantage it claimed as a victim and enemy of terrorism. It is exposed now to the consequences of being seen to have had some of its chosen associates attempt an assassination and kill many people." The editorial maintains that the oversight committees are caught between "sharing responsibility for a fiasco and acknowledging that their oversight was casual." In another view, THE WASHINGTON TIMES comments that the problem is not that the U.S. is "barbaric, but that it continues to be helpless in the face of terrorists." It suggests that Sen. Leahy remember that "you cannot fight terrorists with battleships or treaties, and that some kind of counterinsurgency may be the only reasonable choice." (WASHINGTON POST, 14 May, p. A-18; WASHINGTON TIMES, 14 May, p. 9-A)

Antiterrorism by Proxy

U.S. Intelligence Agents Warned Officials Against Reliance on Foreign Organizations

By LESLIE H. GELB

Special to The New York Times

WASHINGTON, May 13 — A year ago, senior Administration officials agreed unanimously to set up counterterrorist groups to take pre-emptive and punitive action. At the same time,

intelligence operatives said the groups were unlikely to work and were likely to get the United States into trouble.

There was no question about the seriousness of the problem of combating terrorism. And officials said the Administration was united on the need to do so by improving the collection of intelligence and warnings of planned terrorist actions. But there was doubt that any kind of covert action could be taken effectively, particularly in Lebanon.

The split between the policy-makers who felt the need to be tough on terrorism and the professionals charged with implementing the policy has plagued the Administration from the outset.

C.I.A. Link to Lebanese

On March 8, 80 people were killed in a Beirut car bombing that had been aimed at killing a Shiite leader suspected of being an anti-American terrorist. It was carried out by a group with ties to Lebanese intelligence, which, in turn, had worked with the Central Intelligence Agency, according to Congressional and Administration sources.

Today the C.I.A. issued a statement saying that it had not had advance knowledge of the bombing. In addition, intelligence sources said the agency had no connection to the Lebanese counterterrorism group that reportedly hired the bombers. But that was disputed by some Administration and Congressional officials who said the agency was working with the group at the time of the bombing.

The C.I.A. statement did not seem to go to the core issue. For example, it

said that the C.I.A. had not trained those who carried out the bombing. But the statement included no specific denial that the agency had been working with Lebanese intelligence. The White House declined comment altogether.

Administration officials said President Reagan had canceled his order directing C.I.A.-Lebanese intelligence cooperation in counterterrorism within a day or two after the March 8 bombing. But by then, the damage had been done and the risks run, causing Administration officials to once again evaluate what they realistically could and should do to combat terrorism.

An Administration official involved in intelligence said that, a year ago, there was agreement on the need to pre-empt terrorists, but that concern about the risk to innocent civilians had been voiced. He also said retaliation by terrorists was also feared.

"The best we can do to counter terrorism is to improve counterintelligence, not counterterrorist capabilities," he added. "That way, we can get our people out of harm's way."

Order Was Signed in April 1984

But this was not the thinking that prevailed on April 3, 1984, when officials said President Reagan signed a directive calling for pre-emptive, preventive and retaliatory action against terrorists and against countries sponsoring terrorism.

Officials said the policy was supported by Secretary of State George P. Shultz, Robert C. McFarlane, the national security adviser, and William J. Casey, Director of Central Intelligence.

After the signing of the directive, Mr. Shultz spoke publicly about the necessity of going beyond "purely defensive postures" in dealing with terrorists. Reporters were told by officials that this meant plans for pre-emptive and retaliatory action were under way.

As a result of these moves, officials said, American intelligence agents and military personnel began financing, training, sharing information and in other ways supporting groups in friendly countries to combat terrorists.

No Plans to Use Americans

The officials said there were no plans to use Americans in other countries, which meant relying on foreigners in the employ of other governments.

Many American intelligence operatives had doubts about their ability to control the foreign counterterrorists. They were concerned about the United States' taking responsibility for the program without being able to control it, especially in Lebanon, where the Government and the intelligence organization are divided.

In Lebanon, the officials said, American intelligence was hot on the heels of Mohammed Hussein Fadlallah, a Shiite leader who has been linked to attacks on American installations throughout the Middle East. Lebanese intelligence operatives were on his tracks, too, but for other reasons, the officials said.

Administration officials said that the C.I.A. had not decided what it wanted to do about Mr. Fadlallah, but that some Lebanese intelligence officials had their own scores to settle with him. The Lebanese could not move against him as a Government unit because Shiites were now part of the Lebanese Government, so according to the accounts offered by Administration officials, the Lebanese intelligence organization hired outsiders.

U.S. Not Ready to Abandon Policy

Even after the attempt to kill Mr. Fadlallah on March 8, the officials said, Administration leaders were not ready to abandon the policy. On March 25, Mr. McFarlane said in a speech, "We cannot and will not abstain from forcible action to prevent, pre-empt or respond to terrorist acts where conditions merit the use of force."

To renounce the use of force, he said, "is to invite more, not less, more ruthless, not less terrorist brutality."

According to a number of Administration officials today, the United States is unlikely to alter this approach or to disband the counterterrorist training and support operations. But senior officials are said to be taking a look at specific cases of cooperation between the C.I.A. and foreign intelligence agencies to see whether the policy can be realistically implemented.

And Congressional committees charged with overseeing intelligence will be looking at both the problems of implementation and the policy itself.

14 May 1985

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ON PAGE **A-20**

Anti-Terror Projects Face Two Inquiries

Hill Actions Follow Beirut Bomb Report

By Charles R. Babcock
and Bob Woodward
Washington Post Staff Writers

The chairmen of both the Senate and House intelligence committees said yesterday that they will examine the Reagan administration's counterterrorism program following reports that CIA-trained Lebanese personnel instigated on their own a car bombing in Beirut that killed at least 80 people.

A Central Intelligence Agency covert support operation was canceled after the Reagan administration learned that the Lebanese had hired others to bomb the residence of a suspected terrorist leader, *The Washington Post* reported Sunday.

Rep. Lee H. Hamilton (D-Ind.), chairman of the House Permanent Select Committee on Intelligence, said in a telephone interview that he started asking questions last week after a reporter contacted him about the CIA's connection to the March 8 car bombing. "I asked for a report on these matters and I expect to receive a full report," he said. "When you have units you do not control, obviously risks arise."

Sen. David F. Durenberger (R-Minn.), chairman of the Senate Select Committee on Intelligence, said in a statement yesterday that the counterterrorism issue is high on his committee's agenda.

"The committee already has plans to take a detailed look at the intelligence community's policy and action on counterterrorism," Durenberger said. He indicated that that study "will occur out of the limelight," and only after the com-

mittee finishes its review of intelligence budget matters.

"Effective oversight of the intelligence agencies is possible only when the committee operates quietly, in a unified manner and in response to its own agenda—an agenda that is not set by *The Washington Post* or any other news organization," he said.

Sen. Patrick J. Leahy (D-Vt.), the committee's vice chairman, said Sunday that committee Democrats have started their inquiry into the CIA's counterterrorism program, the bombing incident and several other CIA operations, which he declined to identify.

White House spokesman Larry Speakes said yesterday: "That's our policy, of not commenting on any alleged intelligence matter. We point out that we do not undertake any activities—have not—that are inconsistent with the law and we meet our obligations under the law to report to Congress."

U.S. embassies were reported to be on alert for fear of anti-U.S. activity.

Administration sources have emphasized that the CIA had no direct connection with the March 8 bombing, and that when the Lebanese went off on their own, the counterterrorist support program was ended. The CIA issued a statement yesterday saying that the agency "never conducted any training of Lebanese security forces related to the events described" in the story and that the CIA "had no foreknowledge of the Lebanese counterterrorist action mentioned" in the news account. The statement added that the agency "scrupulously observes the requirements to keep all the congressional oversight committees appropriately informed."

Islamic Jihad, a shadowy group that is believed to be an umbrella for radical Shiite Moslem terrorists based mostly in Lebanon, has issued statements claiming that it has conducted two attacks to avenge the March 8 car bombing, one against a restaurant near Madrid frequented by U.S. servicemen. The explosion killed 18 Spaniards and injured 15 Americans, one seriously. The other attack is believed by some security experts to have been a blast on

March 29 in a Paris movie theater that was holding a Jewish film festival, injuring 18.

Several congressional sources have questioned whether the new heads of the intelligence committees had been fully briefed on the counterterrorism program and its cancellation.

Leahy said Sunday he wanted to look at several CIA programs he did not feel fully informed about to prevent a recurrence of last year's controversy over the mining of harbors in Nicaragua.

Meanwhile, Reps. Patricia Schroeder (D-Colo.) and Don Edwards (D-Calif.), members of the House Judiciary Committee, which has jurisdiction over terrorism issues, introduced a resolution yesterday that would require the CIA to provide the House with "documents and factual information" about covert support for counterterrorist units in the Middle East.

Edwards said, "The use of proxies to avoid executive order prohibitions against assassinations is fraught with problems. . . . Such groups are inherently uncontrollable. With a license to kill from the United States government, they serve only to escalate the problems of international terrorism and further tarnish our reputation abroad."

Hamilton said that he also was concerned about whether the CIA's reported role in the car-bombing incident violated the ban that prevents the U.S. government from either direct or indirect involvement in assassinations, and whether the agency lost control of the situation by training foreigners to make the preemptive strikes. "These are major points that have to be looked at," he said.

In Beirut, a cabinet minister said he doubted that Lebanon would order an investigation into the reported car bombing. Education and Labor Minister Selim Hoss said the report will "soon be ignored" because the truth about the attempted assassination is not likely to come out. "We all know that such explosions are arranged by foreign services . . . because catastrophes benefit those who have an interest at stake," he said on Beirut radio.

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be ordered to provide the House with documents and factual information about the training and support of covert counterterrorist units.

Meanwhile, the vice chairman of the Senate Oversight Intelligence committee, Patrick Leahy of Vermont, a Democrat, said his committee would examine "six or seven operations on our own."

Sen. David Durenberger of Minnesota, the Republican chairman of the Senate Intelligence Committee, said that his panel "already has plans to take a detailed look at the intelligence community's policy and action on counterterrorism."

The administration received some support for counterterrorist operations in hearings conducted yesterday by Sen. Jeremiah Denton of Alabama, a Republican, chairman of the Judiciary Committee's security and terrorism subcommittee.

Ray S. Cline, former deputy director of the CIA who is now a fellow at the Center for Strategic and International Studies at Georgetown University, said that Soviet "proxy states feel so comfortable. We could sober up that whole question by some carefully selected responses."

Mr. Cline said in most cases he favored economic retaliation, such as blockades, but also suggested "covert action to spoil or pre-empt terrorist action, which should be done without publicity."

But, he said, the United States has "not found the countermeasures that

will protect us from this danger. It is a free lunch for those who support this type of violence."

Meanwhile, stung by congressional and other criticism, the Reagan administration modified its initial policy of avoiding all comment on the story.

"I certainly have no comment," State Department spokeswoman Anita Stockman said early Sunday. "You're talking about intelligence matters and our policy is not to comment about intelligence matters."

But by Sunday night, the State Department had issued a stronger statement. The same spokesman said: "I can affirm that we do not undertake any activities which are inconsistent with the law."

"The security of our personnel and other Americans overseas is continually a matter under review. We take every appropriate measure to help insure their safety," she added.

That was followed yesterday morning with the CIA statement.

White House officials, however, continue publicly to refrain from comment.

Meanwhile, UPI reported from Beirut that a Lebanese Cabinet minister said yesterday he doubted there would be any investigation of the March 8 blast by his government.

Education and Labor Minister Selim Hoss, a Sunni Muslim, said, "We all know that such explosions are arranged by foreign services, and especially Israeli intelligence services, because catastrophes benefit those who have an interest at stake."

Tom Diaz contributed to this report.

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ON PAGE 1-A

WASHINGTON TIMES
14 May 1985

CIA denies a role in Beirut bombing

By Roger Fontaine
THE WASHINGTON TIMES

In a rare direct statement on intelligence operations, the Central Intelligence Agency yesterday strongly denied any connection, direct or indirect, with the March 8 bombing of a Shi'ite leader's residence in Beirut.

The connection was alleged by The Washington Post on Sunday — that a CIA-trained counterterrorist group in Lebanon went on a "run-away mission" in which it hired another Lebanese group to carry out a car-bombing that killed more than 80 people.

The denial strongly echoed what a U.S. official with close knowledge of the counterterrorist program in Lebanon told The Washington Times Sunday.

"It had nothing to do with our operation," he said.

The official said The Post's "attempt to portray a malevolent connection is both distorted and incorrect." He said the story was laced with distortions, but he refused to be specific, owing, he said, to the sensitivity of the question.

Other administration sources yesterday told The Times that the story had endangered the lives of Americans in the Middle East.

Said one official:

"The Washington Post has put the lives of every American in Lebanon in jeopardy. ... I find it utterly contemptible. ... It invites retaliation against every American in Beirut — including women and children. They [The Post] did it with foreknowledge of that possibility.

"They were warned," he said, angrily.

A Washington Post editor declined comment last night, referring Times' questions to Managing Editor Leonard Downie Jr., who was not available.

Meanwhile, the State Department yesterday alerted U.S. diplomatic outposts worldwide of possible ter-

rorist actions in response to Sunday's Post report. United Press International, quoting State Department sources, said a message was sent under "standard notification procedures" urging U.S. officials to be wary of retaliatory attacks.

The CIA's official three-sentence statement said the agency "never conducted any training of Lebanese security forces related to the events described in The Washington Post's article on 12 May 1985. It also had no foreknowledge of the Lebanese counterterrorist action mentioned in the article."

The Post story cited sources questioning whether the CIA had fully briefed the congressional oversight committees on the agency's purported connection with the Lebanese group.

In response to that, the agency statement said, "The CIA scrupulously observes the requirements to keep all the congressional oversight committees appropriately informed."

The New York Times, quoting unidentified administration officials, reported yesterday that a Lebanese unit in touch with the CIA hired on its own the group that carried out the bombing.

A source with knowledge of the Lebanon counterterrorist program told The Washington Times yesterday: "The United States has been giving some security assistance — anti-terrorist training, in terms of talk and weapons, but mostly talk — to the Lebanese government.

"These people apparently went out and talked to some others, who bombed some of their enemies. What we have here is, if at all, a third-hand connection between the United States government, the Lebanese with whom the United States government spoke, and the Lebanese who did the bombing," he said.

None of The Times' sources could say whether information or material that was given to the Lebanese government was transferred to the group that carried out the bombing.

At the same time, there was no immediate comment from the target of the March 8 bombing — Shi'ite Moslem cleric Mohammed Hussein Fadlallah, leader of the pro-Iranian Hezbollah (the Party of God). But in statements immediately after the explosion, the Muslim cleric had made clear he would hold Americans and Israelis responsible.

"This Islamic popular funeral should stress the Islamic will to

show our rejection of all Israeli and American savagery," Mr. Fadlallah said at a mass funeral the day after the bombing. A "Made in U.S.A." banner was draped by his supporters on an apartment block destroyed by the car-bomb.

Mr. Fadlallah also has denied that Hezbollah is holding five Americans missing in Lebanon.

Meanwhile, another source with direct knowledge of the U.S. counterterrorist program in Lebanon said all leaks of information that were the basis for The Post story came from within the CIA. None of the leaks, this source said, came from within Congress.

"In fact, the United States government does not fund hit teams, directly or indirectly. But what people within the intelligence agencies have done here is to suggest that because some of the people with whom we were in contact fought for their lives as best as they saw fit, that we were somehow indirectly funding these activities," he said.

The United States, he said, has always been in the business of training forces, but "at a certain point, [U.S. trained forces] are on their own."

Criticism of the CIA, however, continued to grow, particularly among Democrats, echoing the "hit squad" theme.

"Where is the wisdom in financing hit squads in the Middle East, which is already a hair trigger?" asked Rep. Patricia Schroeder of Colorado. "Do we think that this would help the view of Americans that led to the bombing of our barracks in Beirut? Is this a wise use of our tax dollars?"

Rep. Schroeder and Rep. Don Edwards of California, Democratic members of the House Judiciary subcommittee with jurisdiction over terrorism issues, asked the House to support their resolution that the CIA

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MONDAY

14 January 1985

SUMMARY OF MAJOR MEDIA ITEMS ON INTELLIGENCE

1. Bamford Examines U.S. Surveillance Satellite Program. James Bamford writes that the National Reconnaissance Office has for 25 years been responsible for managing the nation's spy satellites, although the U.S. Government has never admitted that the NRO exists and its name is officially secret. Bamford claims that this continuing secrecy has prevented people from becoming aware of how "increasingly dependent the American intelligence community has become on the country's network of spy satellites." (NEW YORK TIMES MAGAZINE, 13 January, p. 39)

2. HPSCI Absolves CIA from Death Squad Activity. Robert Parry reports that a House investigation has concluded the CIA did not "directly encourage or support" death squad killings in El Salvador. Parry adds that the report criticizes the Agency's lack of early information about the problem. (WASHINGTON POST, 14 January, p. A-20)

3. Honduras, El Salvador, Israel Raising Aid to Contras. Philip Taubman cites Reagan administration officials and members of Congress as saying that Honduras and El Salvador have replaced the U.S. as key sources of aid to the contras and that Israel also has increased its aid to the rebels. Taubman says this raises questions in Congress of whether U.S. arms and supplies sold or given to Honduras, El Salvador and Israel are being diverted to the contras in violation of U.S. law. (NEW YORK TIMES, 13 January, p. A-1)

4. Covert Aid to Afghans on the Rise. Bob Woodward and Charles Babcock quote informed sources as saying that the CIA's secret aid to Afghan insurgents has mushroomed into the largest U.S. covert operation since the Vietnam war era and that it is becoming a subject of heated controversy among the administration, the CIA and Congress. The sources point to Rep. Charles Wilson as a "chief catalyst for the escalation." (WASHINGTON POST, 13 January, p. A-1)

5. CIA Should Not Appeal FCC Decision on Complaint. According to an editorial in the WASHINGTON POST, the CIA would be wise not to appeal the FCC's decision on the Agency's complaint against ABC for its series on Ronald Rewald. The editorial argues that "the system worked." The CIA's protests led ABC to acknowledge that it could not support its reporting "and that leaves the story dead as far as just about everybody...is concerned." (WASHINGTON POST, 13 January, p. B-6)

6. DCI Responds to John Horton on Estimative Process. In a letter to the editor responding to former NIO John Horton's article on the estimative process, the DCI acknowledges that Mr. Horton and the drafting analyst differed on the estimate in question, but that "the full range of the judgments that came out of the process were clearly and prominently stated on the first page of the estimate." (WASHINGTON POST, 13 January, p. B-6)

7. Durenberger Aims to Make SSCI Staff More Professional. SSCI Chairman David Durenberger said on Friday that topping his list of priorities is "professionalizing" the committee's nine new members and the staff so as to take them "out of the newspapers and away from rehashing past mistakes, and to put them into controlling future acts of the intelligence community." (WASHINGTON POST, 12 January, p. A-11)

ARTICLE APPEARED
ON PAGE A-11WASHINGTON POST
12 January 1985

Chairman Aims to Make Panel More Professional

Probe of Atrocity Charges May Come Later

By Joanne Omang
Washington Post Staff Writer

Investigations into charges that Nicaraguan rebels commit atrocities or that U.S. aid to rebels in Afghanistan is vanishing might come "later on," but the new Senate intelligence committee will have several other things to do first, Chairman David F. Durenberger (R-Minn.) said yesterday.

Tops on his priority list is "professionalizing" the committee's nine new members and the staff so as to take them out of the newspapers and away from rehashing past mistakes, and to put them into controlling future acts of the intelligence community, Durenberger said.

"If we spend the next two years investigating Afghanistan and the 'contras' [in Nicaragua] we aren't going to get the job done that we are expected to do," Durenberger said in an interview. "These are on the list of things we'll explore later on... but the idea that all of us will be in the headline business overturning wrong is not my idea of what the committee ought to be."

Sen. Patrick J. Leahy (D-Vt.), the panel's vice chairman, called last month for a probe of charges that rebels who have been fighting Nicaragua's leftist Sandinista government with U.S. aid for three years have engaged in murder, rape, torture and other atrocities against Nicaraguan civilians.

Sen. Gordon J. Humphrey (R-N.H.) has set up an ad hoc task force of senators and House members to evaluate the way U.S. policy in Afghanistan is being implemented. Humphrey has expressed concern about reports that as much as 90 percent of covert U.S. aid to

rebels fighting the Soviet occupation of Afghanistan disappears before it reaches the guerrillas. An aide said Humphrey had hoped that either the intelligence or Foreign Relations committees would look into those reports.

He said as much as \$400 million may be involved. "Since the committees are reluctant, we will do it through the task force," the aide said. Hearings are planned later this month.

Durenberger said he is hopeful that other intelligence committee Republicans will support his opposition to renewed Central Intelligence Agency aid to the Nicaraguan "contras." "The program is helping to destroy the [congressional] oversight process" by undermining public confidence in the legitimacy of covert operations, he said. "As long as that little poison remains, we're going to have troubles."

However, Durenberger added, probing the rebels' behavior is another matter. "I'm not real anxious to spend a lot of time being conned by a lot of Nicaragua propagandists" charging rebel atrocities "when I can't get at the human-rights violations by the Sandinistas," he said.

Durenberger added that documenting atrocities probably would be possible but would chart no new waters. "I deplore it, but I predicted it three years ago when this program started," he said.

He acknowledged that Reagan administration officials have asked for alternative proposals for pressuring the Sandinistas to make political concessions. "I said to [former national security affairs adviser William P.] Clark three years ago I wasn't hired to come up with the ideas—that's your responsibility," Durenberger said.

He has repeatedly made clear his opposition to the Sandinista government, suggesting last month that the administration consider ways to apply military pressure in an overt manner. Several members of Congress have said they may propose withdrawing diplomatic recognition from Nicaragua and passing a law to permit open backing for the resistance forces.

"You have to draft a policy that implements U.S. law," Durenberger said. "If the administration doesn't give us any alternative to the CIA program, there will be serious problems."

Law prohibits the United States from seeking the overthrow of any government with which it maintains diplomatic relations, and bans spending to overthrow the government of Nicaragua.

Durenberger said that, contrary to rumor, he expects to retain most of the intelligence committee's staff and to permit each one to be the "designee" of a committee member. But he said some of the nine new senators will have to accept staff aides as their designees, because "the staff is going to be much more professional and much less honed by the members than it has been."

He said he will expect staff members to labor for the committee 90 percent of their time and keep their senators informed on current issues the other 10 percent, devoting no time to speechwriting, casework or floor statements not related to intelligence activities.

He also said he opposes a pending recommendation from a select committee on Senate reorganization to consolidate the House and Senate intelligence committees.

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"You wouldn't consider a joint ethics committee. That's like intelligence—they're both superspecially nonpartisan; you bend over backwards to take politics out," he said.

Durenberger was quoted in a recent interview with the Minneapolis Star and Tribune as saying that CIA Director William J. Casey is a "2 on a scale of 10." But the chairman said yesterday he would not ask for Casey's resignation.

"Nope. I told him I didn't hire him and I wasn't going to try to get him fired," Durenberger said.